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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* NAREN CHAGANTI

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Appeal 2009-012123  
Application 09/307,752  
Technology Center 3600

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Before MURRIEL E. CRAWFORD, HUBERT C. LORIN, and  
BIBHU R. MOHANTY, *Administrative Patent Judges*.

LORIN, *Administrative Patent Judge*.

DECISION ON APPEAL<sup>1</sup>

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<sup>1</sup> The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

## STATEMENT OF THE CASE

Naren Chaganti (Appellant) seeks our review under 35 U.S.C. § 134 of the final rejection of claims 7-44. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF DECISION

We AFFIRM.<sup>2</sup>

## THE INVENTION

The invention is “an electronic apparatus to issue, list, price and trade property interests in intangible forms of property.” Specification 1:7-8.

Claim 7, reproduced below, is illustrative of the subject matter on appeal.

7. A computer-implemented method of marketing an intangible property interest, the method comprising the steps of:  
    establishing an electronic marketplace;  
    assigning an identifier to said intangible property interest; storing the identifier;  
    receiving a bid for purchase of said intangible property interest; and  
    selling said intangible property interest.

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<sup>2</sup> Our decision will make reference to the Appellant’s Appeal Brief (“Br.,” filed Dec. 6, 2004) and the Examiner’s Answer (“Answer,” mailed Jan. 22, 2009).

## THE REJECTIONS

The Examiner relies upon the following as evidence of unpatentability:

Ferstenberg	US 5,873,071	Feb. 16, 1999
Brett	US 6,023,685	Feb. 8, 2000
Stallaert	US 6,035,287	Mar. 7, 2000
Harrington	US 6,161,099	Dec. 12, 2000

Mark Walsh. *Marketing Intellectual Property On-line*. 13 Crain's New York Business 12 (November 17, 1997). [Hereinafter, Crain's.]

John Downes and Jordan Elliot Goodman, *Dictionary of Finance and Investment Terms*, Barrons. (1998).[Hereinafter, Dictionary of Finance.]

The following rejections are before us for review:

1. Claims 7, 17, 23, 24 and 33 are rejected under 35 U.S.C. §102(e) as being anticipated by Ferstenberg.
2. Claim 16 is rejected under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg.
3. Claim 39 is rejected under 35 U.S.C. §103(a) as being unpatentable over Harrington.
4. Claims 8, 9, 26, 27, 34, and 35 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Crain's.
5. Claims 10, 12, 15, 20, 28, 30, 36, and 38 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Brett.
6. Claims 13, 14, 18, 19, 31, and 32 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Dictionary of Finance.
7. Claims 11, 21, 22, 29, and 37 are rejected under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Stallaert.

8. Claims 40 and 41 are rejected under 35 U.S.C. §103(a) as being unpatentable over Harrington and Crain's.
9. Claims 42 and 44 are rejected under 35 U.S.C. §103(a) as being unpatentable over Harrington and Brett.
10. Claim 43 is rejected under 35 U.S.C. §103(a) as being unpatentable over Harrington and Stallaert.

### ISSUES

The first issue is whether claims 7, 17, 23, 24 and 33 are anticipated under 35 U.S.C. §102(e) by Ferstenberg. Specifically, the major issue is whether the claimed “intangible property” encompasses financial instruments, such as stocks.

The second issue is whether claim 16 is unpatentable under 35 U.S.C. §103(a) over Ferstenberg.

The third issue is whether claim 39 is unpatentable under 35 U.S.C. §103(a) over Harrington.

The fourth issue is whether claims 8, 9, 26, 27, 34, and 35 are unpatentable under 35 U.S.C. §103(a) over Ferstenberg and Crain's.

The fifth issue is whether claims 10, 12, 15, 20, 28, 30, 36, and 38 are unpatentable under 35 U.S.C. §103(a) over Ferstenberg and Brett.

The sixth issue is whether claims 13, 14, 18, 19, 31, and 32 are unpatentable under 35 U.S.C. §103(a) over Ferstenberg and Dictionary of Finance.

The seventh issue is whether claims 11, 21, 22, 29, and 37 are unpatentable under 35 U.S.C. §103(a) over Ferstenberg and Stallaert.

The eighth issue is whether claims 40 and 41 are unpatentable under 35 U.S.C. §103(a) over Harrington and Crain's.

The ninth issue is whether claims 42 and 44 are unpatentable under 35 U.S.C. §103(a) over Harrington and Brett.

The tenth issue is whether claim 43 is unpatentable under 35 U.S.C. §103(a) over Harrington and Stallaert.

### FINDINGS OF FACT

We find that the following enumerated findings of fact (FF) are supported by at least a preponderance of the evidence. *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Office).

1. We adopt the Examiner's findings of facts. Answer 4-26.
2. Crain's describes an Intellectual Property Exchange, which is an electronic marketplace on the Internet for trading Intellectual Property. Crain's Abstract.
3. It is old and well known to those of ordinary skill in the art to register intangible properties for sale.

### ANALYSIS

*The rejection of claims 7, 17, 23, 24 and 33 under 35 U.S.C. §102(e) as being anticipated by Ferstenberg.*

The Appellant argues claims 7, 17, 23, 24, and 33 as a group. Br. 9-23. We select claim 7 as the representative claim for this group, and the remaining claims 17, 23, 24, and 33 stand or fall with claim 7. 37 C.F.R. § 41.37(c)(1)(vii) (2009).

The Appellant and the Examiner dispute the meaning of the claim term “intangible property” and whether the term can be reasonably broadly construed in light of the Specification to include stocks and bonds, as disclosed in Ferstenberg. *See* Br. 9-23 and Answer 17-20. The Appellant argues that the term “intangible property” in the claim has a different meaning than how that term is used in Ferstenberg, because the Appellant has acted as their own lexicographer and limited the meaning of “intangible property” to exclude financial instruments, such as stocks and bonds, in the Specification *Id.*

The Examiner responds that there is no clear definition of “intangible property” in the Specification and that the term “intangible property” encompasses the stocks, such as those in Ferstenberg. Answer 14-19.

There can be no dispute that there is no explicit definition in the Specification for the term “intangible property” because there is none. The question is whether the Specification describes the claimed intangible property in such a manner that one of ordinary skill would interpret the claim term “intangible property” to not encompass financial securities, such as stocks. The answer to that question is “no.”

We are mindful that “[t]he Patent and Trademark Office (“PTO”) determines the scope of claims in patent applications not solely on the basis of the claim language, but upon giving claims their broadest reasonable construction ‘in light of the specification as it would be interpreted by one of ordinary skill in the art.’ *In re Am. Acad. of Sci. Tech. Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).” *Phillips v. AWH Corp.*, 415 F.3d 1303, 1316 (Fed. Cir. 2005). However, “[t]he problem is to interpret claim ‘in view of the specification’ without unnecessarily importing limitations from the

specification into the claims.” *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the Specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480, (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change.)

We find that the Specification does not describe the claimed ‘intangible property’ in such a manner that one of ordinary skill would interpret the claim term “intangible property” to not encompass financial securities, such as stocks. We agree with the Examiner that the Appellant’s Specification sets out patents, trademarks, etc. as examples of intangible property but the Specification does not define that term, such that it excludes stocks. *See Answer 14-16.*

Accordingly, we find that the Appellant has not overcome the rejection of claims 7, 17, 23, 24 and 33 under 35 U.S.C. §102(e) as being anticipated by Ferstenberg.



*The rejection of claim 16 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg.*

The Appellant argues that Ferstenberg does not teach the step recited in claim 16 because “publicly traded stock exchanges do not invite an owner of a corporate stock to register the property via the Internet” and that the Examiner has provided no evidence that such a limitation would be obvious. App. Br. 23-24. In response the Examiner states: “[I]t is old and well known to artisans to register intangible properties for sale. For example, registration of to-be-sold securities with the Securities and Exchange Commission has been done since 1934.” Answer 20. *See* FF 3.

Claim 16 recites a step of “inviting a seller to register an intangible property interest.” First, we note that claim 16 does not require registering the intangible property interest with a *publicly traded stock exchange* as the Appellants seem to argue (App. Br. 23-24). Claim 16 is silent as to who does the inviting or where the intangible property is registered. Further, we agree with the Examiner (Answer 23-24), that given it is old and well known to register intangible properties, for example, with the Securities and Exchange Commission, one of ordinary skill in the art would have been led to a step of inviting a seller to register an intangible property interest.

Accordingly, we find that the Appellant has not overcome the rejection of claim 16 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg.

*The rejection of claim 39 under 35 U.S.C. §103(a) as being unpatentable over Harrington.*

The Appellant argues: 1) that the Examiner has not established that the portions of Harrington relied upon by the Examiner are available as prior art (Br. 24) and 2) that Harrington does not describe “computing a price for a share of said intangible property interest” and “outputting a prospectus for shares in said intangible property interest” (Br. 24-26).

First, turning to the Appellants’ argument, the Appellant correctly points out that Harrington has a filing date of May 29, 1998, which is after the filing date of the present application. Br. 24. However, Harrington claims priority under 35 U.S.C. § 119(e) to 60/047,876, filed May 29, 1997, and that date is before the priority date of the present application.

Harrington 1. The Appellant would have the Examiner provide a showing that the portions the Examiner relied upon in Harrington to reject claim 39 are “present” in the 60/047,876 provisional application. Br. 24. Because such a showing is alleged not to be of record, the Appellant would have us now find that Harrington is not entitled to the filing date of 60/047,876, thus rendering Harrington inapplicable as prior art and, as a result, finding that the prima facie case of obviousness over Harrington has not been established.

We decline to find that the Examiner in this case was obligated to provide a showing that the portions the Examiner relied upon in Harrington to reject the claim are “present” in the 60/047,876 provisional application. First, the test for determining whether Harrington may be relied upon is whether the 60/047,876 provisional application properly supported the subject matter relied upon to make the rejection in compliance with § 112,

first paragraph, and not, as the Appellant have argued, whether 60/047,876 has “present” the portions of Harrington the Examiner relied upon. Second, the 60/047,876 provisional application was readily available in Public PAIR. The Appellant do not explain why the Appellant did not avail themselves of Public PAIR to determine whether the portions relied upon in Harrington are “present” in 60/047,876. Nor does the Appellant explain why the Appellant could not have performed this simple task during all this time since the Appellant were first made aware of Harrington. *Cf. Ex parte Yamaguchi*, 88 USPQ2d 1606, 1613 (BPAI 2008) (precedential) (The Examiner had noted that the provisional application was readily available in the PAIR system.) Accordingly, we see no good reason to shift the burden now back to the Examiner to provide the argued-for showing.

Second, the Appellant seems to argue that Harrington does not describe “computing a price for a share of said intangible property interest” and “outputting a prospectus for shares in said intangible property interest.” Br. 24-26. The Examiner responds:

[Harrington] specifically discloses the auction of intangible properties as equity offerings at Col. 6, lines 14-16; equities are stocks that are sold as shares. For this reason, the claim does not distinguish over Harrington. As to Appellant’s comments on “computing a plurality of shares in an intangible property interest, see *Harrington* at Col. 10, lines 56 to Col. [Col.] 11, line 19, which clearly shows such calculation. Outputting of a prospectus is clearly shown at the cited passed of Col. 6, lines 27-30.

Answer 21. We agree with the Examiner and note that the Appellant does not challenge these finding by the Examiner. Accordingly, we find that the

Appellant have not overcome the rejection of claim 39 under 35 U.S.C. § 103 as being unpatentable over Harrington.

*The rejection of claims 8, 9, 26, 27, 34, and 35 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Crain's.*

The Appellant argues claims 8, 9, 26, 27, 34, and 35 as a group. Br. 9-23. We select claim 8 as the representative claim for this group, and the remaining claims 9, 26, 27, 34, and 35 stand or fall with claim 8. 37 C.F.R. § 41.37(c)(1)(vii) (2009).

The Appellant argues that one of ordinary skill in the art would not have been led to combine Ferstenberg and Crain's to render claims 8, 9, 26, 27, 34, and 35 unpatentable. Br. 26. The Appellant states that: 1) “ there is no motivation or suggestion either in Ferstenberg or in Crain's to combine the two references in the manner the Examiner combines to deem claims 8-9, 26-27, and 34-35 unpatentable” and 2) “the examiner showed no evidence that intellectual property can be marketed in an electronic marketplace in the manner claim in claim [7].” *Id.*

To the extent the Appellant are arguing that the motivation to combine the references is not recited in the references, “[t]he motivation need not be found in references sought to be combined, but may be found in any number of sources, including common knowledge, the prior art as a whole, or the nature of the problem itself.” *Dystar Textlifarben GmbH & Co. Deutschland KG v. C.H. Patrick Co.*, 464 F.3d 1356, 1361 (Fed. Cir. 2006). “There is no requirement that the prior art contain an express suggestion to combine known elements to achieve the claimed invention. Rather, the suggestion to combine may come from the prior art, as filtered through the knowledge of

one skilled in the art.” *Motorola, Inc. v. Interdigital Tech. Corp.*, 121 F.3d 1461, 1472 (Fed. Cir. 1997).

To the extent the Appellant broadly argues that it would not be obvious to sell intellectual property in an electronic marketplace, we note that Crain’s explicitly describes this. Crain’s describes an Intellectual Property Exchange, which is an electronic marketplace on the Internet. FF 2.

Accordingly, we find that the Appellant has not overcome the rejection of claims 8, 9, 26, 27, 34, and 35 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Crain’s.

*The rejection of claims 10, 12, 15, 20, 28, 30, 36, and 38 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Brett.*

To traverse the rejection of claim 10, 12, 15, 20, 28, 30, 36, and 38, the Appellant again argue that “no motivation or suggestion to combine Ferstenberg with Brett is provided within the references themselves” and, therefore, the Examiner has engaged in hindsight reconstruction. Br. 27. For the same reasons as discussed above with regards to claims 8, 9, 26, 27, 34, and 35, we find that the Appellant has not overcome the rejection of claims 10, 12, 15, 20, 28, 30, 36, and 28 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Brett.

*The rejection of claims 13, 14, 18, 19, 31, and 32 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Dictionary of Finance.*

To traverse the rejection of claim 13, 14, 18, 19, 31, and 32, the Appellant argues that “all inventions are combinations of already known

elements or things but that should not be the reasons to reject the instant claims 13, 14, 18, 19 and 31-32 because no motivation or suggestion to combine the references is found in the references themselves.” Br. 28. For the same reasons as discussed above with regards to claims 8, 9, 26, 27, 34, and 35, we find that the Appellant has not overcome the rejection of claims 13, 14, 18, 19, 31, and 32 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Dictionary of Finance.

*The rejection of claims 11, 21, 22, 29, and 37 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Stallaert.*

The Appellant argues claims 11, 21, 22, 29, and 37 as a group. Br. 28-29. We select claim 11 as the representative claim for this group, and the remaining claims 21, 22, 29, and 37 stand or fall with claim 11. 37 C.F.R. § 41.37(c)(1)(vii) (2009).

The Appellant argues that Stallaert does not use the terms “intangible” or “share” and does not disclose “any of the features of the rejected claims.” Br. 28-29. However, as discussed above we found that “intangible property” encompassed financial instruments and securities, such as the stocks described in Ferstenberg. The Examiner found that Stallaert describes a bundle of financial instruments and securities being sold on an exchange. Answer 12. The Examiner then found claim 11 obvious over a combination of Ferstenberg and Stallaert. Answer 11-12. While the Appellant argues that Stallaert does not disclose any of the features of the rejected claims, the Appellant does not address the Examiner’s combination of Ferstenberg and Stallaert. *See* Br. 28-29.

Accordingly, we find that the Appellant has not overcome the rejection of claims 11, 21, 22, 29, and 37 under 35 U.S.C. §103(a) as being unpatentable over Ferstenberg and Stallaert.

*The rejection of claims 40 and 41 under 35 U.S.C. §103(a) as being unpatentable over Harrington and Crain's.*

The Appellant argues against the rejection of claims 40 and 41 for the same reasons used to argue against the rejection of claims 8, 9, 26, 27, 34, and 35. Br. 29-30. Accordingly, because we found them unpersuasive as to that rejection, we find them equally unpersuasive as to error in the rejection of claims 40 and 41.

*The rejection of claims 42 and 44 under 35 U.S.C. §103(a) as being unpatentable over Harrington and Brett.*

The Appellant argues against the rejection of claims 42 and 44 for the same reasons used to argue against the rejection of claims 10, 12, 15, 20, 28, 30, 36, and 38. Br. 30-31. Accordingly, because we found them unpersuasive as to that rejection, we find them equally unpersuasive as to error in the rejection of claims 42 and 44.

*The rejection of claim 43 under 35 U.S.C. §103(a) as being unpatentable over Harrington and Stallaert.*

The Appellant argues against the rejection of claim 43 for the same reasons used to argue against the rejection of claims 11, 21, 22, 29, and 37. Br. 31-32. Accordingly, because we found them unpersuasive as to that

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rejection, we find them equally unpersuasive as to error in the rejection of claim 43.

#### DECISION

The decision of the Examiner to reject claims 7-44 is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

mev

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